

Sample

Mark-to-Market

Form 10.7(b)

Notification to Owner of Failure of Appeal; Transmittal of Form for Re-election under Housing Notice H 99-36

From: OAHP Preservation Office

To: Owner

Transmission: Overnight Hard Copy

(date)

Project Name: _____

FHA Number: _____

Section 8 HAP Contract Number: _____

REMS ID Number: _____

Dear Owner:

Approved Market Rents

1BR \$ _____

2BR \$ _____

3BR \$ _____

4BR \$ _____

[Insert other unit sizes if necessary]

We have reviewed your appeal of the determination that the subject property cannot be approved as a Lite transaction and/or your appeal of the market rents. **Our review confirms that the property does not meet the criteria for approval as a Lite and/or we have concluded that the market rents listed above are appropriate for processing.**

We strongly recommend that you change your election under H 99-36 (or prior notices) to request processing of this transaction as a Full Debt Restructuring. We have attached an additional copy of the election form for your convenience. You should make the election within **five business days of receipt of this letter.**

If you choose to elect Full Debt Restructuring, you should execute a copy of the enclosed election form and send it to the following HUD office with a copy to the PAE:

HUD Project Manager

Address

Address

The HUD Project Manager will extend your current contract for a total of 12 months so long as you are cooperating with the restructuring process.

If you do not choose to change your election within five business days, the PAE will provide you with a revised Section 8 HAP Contract that reflects the OAHP-approved market rents. Your current Section 8 HAP Contract will expire at the end of the first full month after you receive that Notice.

If you execute the new Section 8 HAP Contract, HUD may elect to renew the contract at the market rents determined but reserves the right to issue tenant-based assistance (vouchers) to the tenants in the property in the face of immediate questions of viability. If the contract is renewed, you will be placed on a special watch list going forward. As a result, special inspections or monthly submissions of financial statements may be required. In any case, HUD's execution of the contract is conditioned upon the availability of funds.

If you do not execute the Section 8 HAP Contract, HUD will be unable to honor your requisitions and will have no choice but to assume that you intend to opt out of the Program. In order to begin procedures to provide Section 8 tenant-based assistance to the tenants of this property, you will be given a short-term renewal at market rents in order to comply with the one-year Notice requirements to tenants or to provide sufficient time to process tenant-based vouchers. If your decision is to opt out, we strongly urge you to contact your HUD Project Manager immediately.

If you have any questions about this transaction, please do not hesitate to contact [insert OAHP contact name] at [insert phone].

Sincerely,

OAHP Preservation Office

cc: HUD Project Manager
Section 8 Contract Administrator
PAE

Enclosed: H 99-36 Election Form